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SUBJECT: A VIEW FROM THE TRENCHES: THE TRINIDAD ECONOMY AS REFLECTED
IN VISA APPLICANTS

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SENSITIVE BUT UNCLASSIFIED; PLEASE PROTECT ACCORDINGLY

¶1. (SBU) SUMMARY: While not completely scientific, information provided in visa interviews opens a window on the local economy. Recognizing the limitations of such information, but also its worth, the Embassy conducted a study involving 218 randomly chosen visa applicants. The data revealed income disparities and large informal and state economic sectors. END SUMMARY

INCOME, INEQUALITY, BENEFITS OF HIGHER EDUCATION

¶2. (SBU) Survey data was derived from 218 randomly chosen visa applicants. Data collected included gender, monthly income, household income, savings, employer, position, sector, housing status, and education level. The labor sector breakdown of those in the survey (which perhaps not coincidentally largely mirrors GOTT Central Statistical Office estimates) was:

- Clerical: 11%
- Services: 9%
- Security: 7%
- Financial: 7%
- Education: 6%
- Energy: 5%
- Transport: 5%
- Health: 4%
- Construction: 4%
- Real Estate: 3%
- Engineering: 3%
- Utilities: 2%
- Law: 2%
- Self Employed: 14%
- Retired: 18%

Including companies in which the government invests and controls, either directly or indirectly, 47% of those sampled can be considered to work for the GOTT.

¶3. (U) Median annual income across the sample was \$17,988 (all figures in this cable are in USD), broadly consistent with published reports of T&T per capita GDP of around \$16,000. Men (43% of survey) earned an average of \$23,412, while women (57% of survey) earned only \$13,398. Those with a bachelor's degree or higher comprised 21% of applicants and earned a median wage of \$28,850. Seventy-two percent of applicants owned their own home, either via a conventional mortgage or through inheritance. It is worth mentioning that 28% of the sample was denied visas; their median wage was \$10,125.

ENERGY SECTOR APPLICANTS GENERALLY WELL OFF

¶4. (U) Not surprisingly, those in the energy sector enjoyed the highest median salaries. Although only 5% of the population is directly employed in energy, the median income for that group of survey applicants was \$25,935, over \$8,000 more than the overall sample median. Comments from persons in that sector, though, suggest a looming slowdown that may impact on future salary stability or growth.

EDUCATION; DECLINING US STUDENT VISA NUMBERS

¶5. (U) The median wage for those with a bachelor's degree or higher in our study is over \$10,000 more than the overall median wage of \$17,988. This makes manifest the value of higher education, a point apparently not lost on the GOTT. One recent GOTT effort that is making a quantifiable impact on the society as a whole is the Government Assistance for Tuition Expenses (GATE) program. Designed to provide an outlet to slow intellectual brain drain, GATE provides free tuition to qualified students at a variety of T&T based universities and training centers in exchange for a three year commitment from beneficiaries to work in the country after graduation rather than depart for opportunities abroad.

¶6. (SBU) Though other factors may be involved, including concern over visa rejections, the impact of the program seems to have been immediate -- student visa numbers for U.S. study have declined between 5-10% a year over the past 3 years as more and more T&T students and parents choose the substantial financial benefits of free tuition. In addition, as a result of GATE, higher education is now available to lower income families. It should be noted, though, that some GOTT programs do exist to provide funding for education abroad (e.g., 170 students are in the U.S., and 95 in Canada, on government scholarships).

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SELF-EMPLOYMENT, THE INFORMAL ECONOMY, TAX COMPLIANCE

¶7. (SBU) At 14%, the self-employed comprise the largest single segment of our study, with a median wage of \$16,661, slightly less than the overall median. The self-employed work in a variety of areas, but the sector is dominated by building contractors, food service vendors/caterers, small shop or market owners and clothing resellers. (NOTE: Self-employed accountants, architects, engineers and doctors, for the purposes of this study, were accounted for in their respective fields of expertise.) While some register their businesses with the GOTT, many seem to not report income accurately. Those whose businesses are not registered or who do not pay taxes are included, by definition, in the informal economy.

¶8. (SBU) In a conversation with an official from the GOTT Board of Inland Revenue (BIR), CONOFF inquired about tax compliance rates for small businesses. The official indicated that tax compliance and accurate income reporting for the self-employed was largely non-existent and unenforceable from a resource perspective, mentioning that the BIR focused on large firms, multi-nationals, and larger family-owned concerns for revenue collection.

AUSTIN